

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2266 – HB 2531

April 16, 2018

SUMMARY OF ORIGINAL BILL: Increases, from 30 days to 45 days, the period of time following the last day of the sales period during which a dealer of aviation fuel is required to file a report with the Commissioner of the Department of Revenue (DOR) stating the total amount of gallons in aviation fuel sold and the dollar amount collected from such sales.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (017261): Deletes all language after the enacting clause. Establishes that any spallation neutron source facility, eligible for the state and local sales and use tax exemption authorized in Tenn. Code Ann. 67-6-384, shall not be eligible for any sales and use tax exemption with regard to any industrial machinery used in the operation of a qualified data center or used primarily for research and development; however, such exemption shall apply to a leadership computing facility that is funded by the United States Government or instrumentality thereof, not funded with state funds, and located at a national laboratory.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 67-6-384(a), a spallation neutron source facility that is funded by the United States government or an instrumentality thereof, not funded with state funds and located at a national laboratory, is exempt from the state and local sales tax liability.
- Such exemption currently applies to: property that becomes a component part of or is used exclusively in the operation or repair of the facility, services, materials or items furnished or supplied to the facility and used exclusively in the operation of the facility, and property, services, building materials, machinery, equipment, supplies, repair parts, replacement materials or other items used exclusively in the construction, operation or repair of the facility or its operations.

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- The bill as amended will remove this exemption for purchases of industrial machinery that is used by the facility in the operation of a qualified data center or used primarily for research and development; however such exemption shall apply to a leadership computing facility that is funded by the United States Government or instrumentality thereof, not funded with state funds, and located at a national laboratory.
- Currently, purchases of industrial machinery by a national laboratory, not funded with any state funds, for the operation of a qualified data center or used primarily for research and development are subject to state and local sales and use tax; therefore, no significant impact upon state or local sales tax collections.
- Purchases of industrial machinery used by a leadership computing facility, located at a national laboratory and funded by the United States Government or instrumentality thereof have historically not been subject to state and local sales and use tax; therefore, no significant impact upon current exemptions, and thus, no significant impact upon state government.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb